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U. S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20590

STATEMENT OF CLAUDE S. BRINEGAR, SECRETARY OF TRANSPORTATION,
BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN
COMMERCE, REGARDING THE "NATIONAL EMERGENCY PETROLEUM
ACT OF 1973" (H. R. 11031) ON WEDNESDAY, NOVEMBER 14, 1973.

Mr. Chairman and Members of the Committee:

The transportation sector of our economy accounts for a substantial portion of this country's annual energy consumption. We estimate that transportation consumes more than 25 percent of the energy consumed in the United States each year and represents more than one-half the domestic consumption of petroleum. The two leading transportation consumers are highway vehicles, which use approximately 75 percent of the energy consumed directly by the transportation sector, and aircraft which use approximately 10 percent.

The Department of Transportation is heavily involved with the problems of the present energy shortage. In particular we are working on a number of steps which will assist the transportation sector in reducing transportation demand for fuel with minimum curtailing of vital transportation service. It is clear from the work performed to date, that the Administration requires additional emergency powers as provided for in this bill to accomplish needed conservation actions. I strongly support the purposes of the act with particular regard to

the important role that transportation serves in supporting a strong and vital economy. The major challenge, in my view, is to insure that shortages in the transportation sector are absorbed in such a manner as to be least disruptive to our economy or society in general. Thus, while I am in support of most of the general purposes of this legislation, I would suggest that serious thought be given to vesting the President with the authority to set new conservation goals as circumstances warrant.

Finally, I would like to recommend modifications to specific provisions of the bill. These are contained in my supplementary submission to the record.

U. S. DEPARTMENT OF TRANSPORTATION

SUPPLEMENTARY SUBMISSION FOR THE RECORD SUBMITTED TO
THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

NOVEMBER 13, 1973

The Department has the following comments on certain provisions in H. R. 11031 which directly affect it.

Section 203(b) requires the President to authorize independent regulatory agencies, such as the Civil Aeronautics Board and the Interstate Commerce Commission, to permit variances from existing schedules and routings to increase load factors, reduce the number of scheduled trips, or shorten distances traveled, in order to conserve fuel. This section also directs the airlines to operate at maximum capacity whenever possible.

We believe it is desirable for the transportation regulatory agencies to have sufficient emergency authority to act to conserve fuel, and we are concerned that under existing law such authority may be limited. The regulatory agencies need a clear statement of their authority to adjust the carriers' level of operations and to adjust operating certificates in order to alter points served and shorten distances traveled. In addition, the regulatory agencies need the authority to consider fuel conservation when making "public convenience and necessity determinations." We have drafted

a substitute provision which would accomplish these objectives and should give the regulatory agencies adequate authority to deal with energy conservation. Our draft includes language requiring the regulatory agencies to consult with the Secretary of Transportation before taking an emergency action. We believe this provision is necessary to help assure a balance among the several transportation modes and to preserve competition and management flexibility to the maximum extent feasible.

With respect to section 203(c) regarding Federally sponsored incentives for the use of public transportation, we endorse priority rationing of fuel for mass transit systems. However, we strongly oppose any provision that would authorize Federal operating subsidies for mass transportation. Such a program does not confront the real causes of declining transit usage, and requires extensive Federal involvement in local transit decisions, particularly the negotiation of labor contracts. While we recognize that there may be added costs from increased transit during this emergency, there are measures which communities may take to ameliorate this problem. One such measure is to promote staggered work hours which would enable the transit operators to substantially reduce their operating expenses by making more extensive use of the existing fleet.

Amendment to H. R. 11031 ("Nationwide Energy Emergency Act of 1973")

Delete section 203(b) and substitute the following:

(b) the Interstate Commerce Commission, with respect to carriers subject to regulation under Parts I, II, and III of the Interstate Commerce Act, the Civil Aeronautics Board with respect to air carriers engaged in interstate, overseas and foreign air transportation, and the Federal Maritime Commission, with respect to carriers subject to its jurisdiction, for the duration of the energy emergency, in addition to their existing powers, shall have the authority on their own motion or by motion of any interested party, after consultation with the Secretary of Transportation and any other interested Federal agencies, to review and make reasonable and necessary adjustments to the operating authority of carriers within their respective jurisdictions in order to conserve fuel while providing for the public convenience and necessity. This authority includes but is not limited to adjusting the level of operations, altering points served, shortening distances traveled and reviewing or adjusting rates accordingly. Actions taken pursuant to this paragraph may be taken, notwithstanding any other provision of law, after hearings in accordance with section 553 of title 5 of the United States Code. Any person adversely affected by an action shall be entitled to a judicial review of such action in accordance with chapter 7 of title 5 of the United States Code.

